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The situation in Central America: procedures for the establishment of a firm and lasting peace and progress in fashioning a region of peace, freedom democracy and development

United Nations Verification Mission in Guatemala

Report of the Secretary-General**

1. This is the fifth report on the verification of compliance with the agreements signed by the Government of Guatemala and the Unidad Revolucionaria Nacional Guatemalteca (URNG), submitted pursuant to the mandate given to the United Nations Verification Mission in Guatemala (MINUGUA) by the General Assembly in resolution 51/198 B of 27 March 1997. This mandate was extended until 31 December 2000 by resolution 54/99 of 8 December 1999, in which the General Assembly repeated its request that I should keep it fully informed. This report covers the period from 1 November 1999 to 30 June 2000.

2. On 16 May, I announced my decision to appoint Mr. Jean Arnault, at that time my Special Representative for Guatemala and Head of Mission of MINUGUA, to be my Representative and Head of the United Nations Office in Burundi, beginning in June 2000 (S/2000/423). At the same time, I designated Mr. Juan Pablo Corlazzoli, Deputy Head of Mission of MINUGUA, as my Special Representative and acting Head of Mission. I should like to take this opportunity to thank Mr. Arnault for his special dedication to the Guatemalan peace process, in which he rep United Nations from the negotiation phase

I. Introduction

3. The implementation of the commitm into by the Government and URNG is gov Agreement on the Implementation, Com Verification Timetable for the Peace (A/51/796-S/1997/114, annex I), which period 1997 to 2000 into three phases. 1999, the Commission to Follow Implementation of the Peace Agreements outstanding peace agenda, which it sha political parties competing in that ye elections. The agenda identified seven area action: human rights and national re civilian-military relations and military re of the system for the administration indigenous peoples and intercultural rel policy and development; social policies policy. The Commission then convened a t peace symposium, at which a large participants representing all sectors of analysed the implementation and priorities process. The third anniversary of the si Agreement on a Firm and Lasting Peace

* A/55/150 and Corr.1 and 2.

** The report covers the verification period up to 30 June 2000 and includes qualitative analysis of policies and trends of the period verified.

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S/1997/114, annex II), 29 December 1999, provided another opportunity for major sectors of society to assess progress in complying with the agreements. This report covers aspects dealt with in the Timetable Agreement, with special reference to the priority areas identified by the Follow-up Commission. It also describes its findings with regard to the direction and implementation of public policies relating to the commitments made in the peace agreements. The Mission began in Guatemala the submission of verification reports on some of these priority issues. During the reporting period, it published three reports: on the prison system, on the commitments relating to land and on the commitments in the sphere of labour relations.

4. In the period covered by this report, the peace process entered a new phase. In my previous report (A/54/526), I stressed the need to consolidate the achievements of the past three years and to move ahead in implementing the outstanding agenda. That agenda is still a full one; it remains valid and includes such important commitments as the implementation of fiscal reforms, the expansion of judicial reforms, the reform of the electoral system and the armed forces, and critical aspects related to public security. At the same time, the labour situation, the housing situation, the sustainable reintegration of the uprooted and demobilized population and the problems of compensation and national reconciliation remain outstanding and the failure to tackle them is affecting both the peace process and governance. The great challenge is to ensure the sustainability of the progress achieved, to make adequate provision for the multicultural and multi-ethnic characteristics of Guatemalan society in all areas of national life and to extend the benefits of peace to the areas of the country where the social debt remains greatest. Measures as important as the Fiscal Pact and the governance pact, to which the President of the Republic has referred on a number of occasions, require the understanding, participation and support of broad sectors of society which still remain marginalized.

5. On 15 January 2000, Mr. Alfonso Portillo took office as President of the Republic, after winning in the second round of the November-December 1999 elections as the candidate of the Frente Republicano Guatemalteco (FRG). In the general elections, voters elected the President, the Vice-President, members of the Congress and the Central American Parliament and municipal mayors. The 113 members elected to the Congress of the Republic represent the following political parties: Frente Republicano Guatemalteco (63), Partido de Avanzada Nacional (37), Alianza Nueva Nación (9), Christian Democratic Party (2), Partido Libertador Progresista (1) and Unión Democrática/Organización Verde (1). URNG, a signatory to the peace agreements, is represented by the Alianza Nueva Nación. In June, 16 members of the Congress left the Partido de Avanzada Nacional to form a new party, the Unionista party.

6. The 1999 general elections were the first held since the signing of the Agreement on a Firm and Lasting Peace. In the more than three years since the signing of that Agreement, one of the most important achievements of the peace process has been the widening of opportunities for political expression and participation, particularly for historically marginalized population groups such as indigenous people and women, and the participation of URNG as a political party. The Mission paid particular attention to monitoring the electoral process, in fulfilment of its mandate to verify political rights; the relevant findings are contained in its eleventh report on human rights (A/55/174, annex).

7. On 17 January, I announced my satisfaction at President Portillo's strong reaffirmation, in his inaugural speech, of the validity of the peace process and his recognition that its full implementation is a commitment of the State. Among the measures which he announced, the following were especially welcome: military reform, measures to combat impunity, promotion of national reconciliation and compensation for victims of the armed conflict, rights of women and indigenous people, the fiscal pact and the urgent need to apply a comprehensive policy for addressing the needs of those most seriously affected by poverty. On that occasion I reiterated, as I do now, my commitment and that of the United Nations to the agenda of democratic transformation contained in the peace agreements, and I encouraged the new authorities to move ahead resolutely with the implementation of that agenda.

8. In late January 2000, the President presented his proposal for the democratic governance pact announced in his inaugural speech. The pact is intended as a mechanism for reaching consensus among representatives of the State and political and social leaders on a national agenda, based on the peace

agreements, that will be submitted to local authorities for discussion in order to secure broad agreement throughout the country. The President specifically requested the help of the United Nations system and MINUGUA and said that the pact constituted a process of dialogue aimed at reaching consensus on a national strategy for reducing poverty within the framework of a renewed effort to implement all the peace agreements.

9. The Mission believes that the governance pact could be an important tool for involving the population in the peace process, evaluating its fulfilment and ensuring broad participation, especially at the municipal level, in national decision-making. The Mission also believes that combating poverty is essential to the fulfilment of the agreements, especially their socio-economic and agrarian elements. The Mission is therefore willing to cooperate in any initiative aimed at implementing, on a participatory, consensual basis, a strategy for reducing levels of social exclusion and creating conditions for the sustainability of the peace processes.

10. On 3 March, the Chairman of the Presidential Commission for Coordinating Executive Policy in the Field of Human Rights (COPREDEH) set out the policy adopted by the Government in the area of human rights. It is noteworthy that this policy, which reflects a number of the Mission's recommendations concerning the justice system, human rights and public security, is being analysed in conjunction with human rights organizations and other institutions of civil society. The proposed measures include ratification of international human rights instruments and acknowledgement of the State's responsibility in cases submitted to the Inter-American Court of Human Rights. The Mission notes with satisfaction the role which the Court plans to play in the Government's human rights policy.

11. In May 2000, the Peace Secretariat (SEPAZ) presented its Strategic Guidelines for the Implementation of the Peace Agreements, 2000-2004. In presenting the plan, the current Secretary reported on the Secretariat's proposed new structure, the purpose of which was to enable it to play a more active role in coordinating the work of public and private entities involved in implementing the peace agreements. The proposed strategy envisages a renewed effort to implement the agreements and the strengthening and adaptation of institutions set out under the peace process.

12. The Mission has found that, in the early months of the new Government, a number of bodies have been created and mechanisms set in motion which, in some cases, parallel or duplicate the institutions and participation mechanisms derived from or provided for in the agreements, such as the forums for reaching agreement on local development programmes and projects. Lack of coordination among the agencies of the central Government responsible for the broad strategic outlines of the peace agenda could hamper their ability to carry out their mandates properly and, in particular, the overall design and implementation of public policies. There is a risk that this situation could weaken both the institutions created by the peace process and the organizational and management capacity of the State to implement the Agreements.

13. The Mission notes with great interest the announcement by SEPAZ that priority will be given to allocating resources and building State institutions in areas of the country hardest hit by the internal armed conflict, where a significant percentage of the uprooted and demobilized population are living. The Mission believes that this approach will help to spread the benefits of the peace agreements and to promote genuine reconciliation in those areas, but it should not take the place of the commitments, still unfulfilled, made in the Agreement on Resettlement of the Population Groups Uprooted by the Armed Conflict (A/48/954-S/1994/751, annex I) and the Agreement on the Basis for the Legal Integration of the Unidad Revolucionaria Nacional Guatemalteca (A/51/776-S/1997/51, annex II). The delay in fulfilling those commitments is seriously undermining legal certainty as to land tenure and the economic self-sufficiency of the intended beneficiaries, who played an important role in the drafting of the agreements, and will only increase their frustration, a situation that would not benefit the peace process.

14. At the end of the reporting period, the Congress of the Republic adopted Decree No. 40-2000, the Support for the Civil Security Forces Act. While the Mission again noted the urgent need to overcome the population's feelings of insecurity, it is deeply concerned that measures are being adopted which are not conducive to the demilitarization of public security or to the strengthening of civilian authority, as called for in the peace agreements. Despite the perception that

the National Civil Police (PNC) is given to excesses, no serious effort has been made to improve its operational, technical and training capacities. I have recommended on a number of occasions that the Government fulfil the commitments made under the peace agreements with regard to public security, namely: to set up the Advisory Council on Security; to implement the judicial reform in order to step up efforts to combat impunity; to substantially increase the capacity of the new PNC in all its aspects; and to adopt a comprehensive public security policy as soon as possible.

15. One of the main findings mentioned in my fourth report was the need to mobilize more resources for democratization and for the consolidation of the peace process. I should like to reiterate my deep satisfaction, already expressed in my 27 June statement in New York, at the signing of the Fiscal Pact for a Future with Peace and Development, the outcome of an extensive process of national consultation to define a long-term fiscal policy (see A/54/526, para. 35). This process, which was supported by MINUGUA as part of its good offices and technical assistance mandate, is without precedent in Guatemala's history and involved the participation of broad sectors of society: cooperatives, trade unions, social and mass organizations, academics, businessmen, departmental boards responsible for monitoring the peace agreements, coordinating bodies of civil society, women's organizations, political parties and indigenous organizations. I should like to acknowledge in particular the commendable work done by the members of the Follow-up Commission, both those who initiated the process in 1998 and those who helped bring it to fruition with the signing of the Pact. Various international financial institutions also contributed to the process.

II. Implementation of the peace agreements

A. Comprehensive Agreement on Human Rights

16. As in previous reports, this section deals with the commitments under the Comprehensive Agreement on Human Rights (A/48/928-S/1994/448) for which a time-frame was set in the Timetable Agreement. The Follow-up Commission gave priority to the issues of human rights and national reconciliation. It also stressed the importance of moving ahead with the implementation of the recommendations of the Clarification Commission, particularly those on the compensation programme, the creation of conditions for searching for the disappeared and the launching of the agency responsible for implementing the report's recommendations.

17. During the reporting period, the Mission observed substantial delays in implementing the National Programme of Compensation for and or Assistance to the Victims of Human Rights Violations during the Armed Conflict, presented by SEPAZ on 12 April 1999 (see A/54/526, para. 5). It is encouraging that SEPAZ has identified the readjustment of this programme as a priority in its strategic guidelines.

18. The Mission has monitored the execution of the two pilot programmes of assistance to victims of human rights violations. The three criteria which recipient communities must fulfil are that they were seriously affected by the violence; that they are living in extreme poverty; and that they have not benefited from assistance programmes. The programmes are being carried out in a number of communities in the departments of Chimaltenango, Quiché, Alta Verapaz and Huehuetenango. They cover the areas of health, education, housing, infrastructure, exhumation and restoration of dignity to the victims, and are being funded by the National Peace Fund (FONOPAZ), SEPAZ and the United States Agency for International Development (USAID). In addition, USAID and the Government of the Netherlands have pledged funding for other projects, including exhumations to be carried out by the Guatemalan Forensic Anthropology Foundation.

19. The purpose of the pilot projects is to provide information to help finalize the design of the national compensation and assistance programme. The Mission has found that the communities in which some of these projects have been carried out are pleased with them. The beneficiaries see them as reparation for the losses suffered during the armed conflict, but do not associate them with forgiveness and reconciliation. In reformulating the national compensation programme, it will be important to incorporate those missing dimensions. An ongoing dialogue among the State, the affected communities and organizations of civil society, particularly victims' organizations, must be instituted and maintained so that they can jointly assume the pressing task of national reconciliation. The

national programme must be launched as a matter of urgency and its technical and financial sustainability ensured as part of an ongoing, long-term effort to fulfil the State's inescapable legal and moral obligation to the victims.

Clarification Commission

20. On 15 November 1999, the Follow-up Commission, submitted to the President of the Congress the preliminary draft of a bill setting up a commission for peace and harmony, the text of which had been agreed upon with organizations of civil society, based on a preliminary draft prepared by the Multi-institutional Forum for Peace and Harmony and in keeping with the Mission's recommendations (see A/54/526, para. 22). The bill was presented to the full Congress on the last day of its regular session and was referred to the Congressional Committee for Peace and Mine Clearance, which issued a favourable ruling. However, it could not be voted on by the full Congress because the special December and January sessions did not have a quorum. In April 2000, the same congressional committee, with new members as a result of the general elections, unanimously issued a new, unfavourable ruling which has still to be submitted to the full Congress. The bill submitted by the Follow-up Commission reflects the spirit of reconciliation embodied in the recommendations of the Clarification Commission and has the consensus support of organizations of civil society. The Mission therefore considers it important for the national reconciliation process that this bill be debated and approved in the Congress as soon as possible.

21. The establishment of a commission for peace and harmony, as provided for in the SEPAZ strategic guidelines, would make it easier to address such critical issues as comprehensive policies on the search for the disappeared and on exhumations. At present, the only such initiative is the campaign to identify and locate clandestine mass graves which SEPAZ is carrying out as part of the pilot programme of assistance to victims in the departments of Huehuetenango and Alta Verapaz.

22. Lastly, the Mission notes with satisfaction the issuance by the Congress of Legislative Agreement No. 15-2000, which declares 25 February the day on which the Clarification Commission presented its report "Guatemala, Memory of Silence", Victims of Violence Day, in commemoration of the suffering of the Guatemalan people. The agreement also urges State agencies to act on the Commission's recommendations.

B. Agreement on Resettlement of the Population Groups Uprooted by the Armed Conflict

23. As indicated in previous reports, the early design and implementation of a comprehensive, long-term rural development policy, which was identified as a priority by the Follow-up Commission, is essential for consolidating the bases for sustainable productive integration and thereby ensuring the definitive reintegration of the uprooted population in conditions of dignity. At the same time, isolated initiatives, national and international, must be brought into the framework of regional development strategies aimed at overcoming the lack of production infrastructures. To that end, it is important to move ahead in fulfilling a number of commitments made with regard to rural development, land management plans, the promotion of public investment in rural areas and the allocation of specific resources to the competent institutions.

24. At the same time, the formulation of long-term social development policies should include: (a) the allocation of resources and the identification of institutional mechanisms that will facilitate the integration of the uprooted population and allow for the incorporation of elements of the special education plan into the official educational system; (b) reaffirmation in the new public health policy of the priority accorded to 13 specific projects, to help ensure that the goal of bringing comprehensive health care to 100 per cent of the uprooted population is attained by the end of 2001; and (c) disbursement of the fund of 200 million quetzales announced by the Government (see para. 53).

25. As indicated in my previous report, access to land and legal security of tenure continue to be priority issues for the uprooted population. The purchase of agricultural estates for Communities in Resistance has been completed, but resources have yet to be earmarked for ensuring that the process of socio-economic reintegration is sustainable. For the internally displaced population, only two more estates were acquired in addition to the two previously purchased. It is a matter of concern that the Land Trust Fund (FONTIERRAS) does not have sufficient funds to purchase the remaining 19 estates needed to reach

the target of 23 estates pledged in 1999. Moreover, for the estates already purchased, no specific funds have been allocated for moving in the new owners or providing basic services. This situation, in addition to revealing the inadequacy of the resources allocated to FONTIERRAS, shows how little has been done to comply with the commitment to devote special attention to the needs of the uprooted population.

26. Since the National Institute for Agrarian Reform was unable to complete the process of regularizing title to public lands awarded to the uprooted population, FONTIERRAS, through its Regularization Office, has assumed responsibility for the remaining cases. FONTIERRAS is preparing a priority project for those cases and hopes to complete the award of definitive title by November 2000. With regard to cases of compensation through the purchase of land for communities whose properties were occupied during the armed conflict, the inhabitants of the San José 20 estate were resettled during the reporting period and the National Peace Fund (FONAPAZ) is negotiating the purchase of an estate for the Cimientos Chiul community. FONTIERRAS has informed the Technical Commission for the Implementation of the Resettlemen. Agreement (CTEAR) that it does not have the funds to settle the three compensation cases pending to date. The Presidential Commission for Dispute Settlement in Land Matters (CONTIERRA) is handling six disputes that require the approval of specific studies before they can be finally resolved. The process of surveying, registering and awarding undeveloped land occupied by the uprooted population has not yet been completed.

27. Little has been accomplished in terms of sustainable productive integration. Project GUA/98/L04, entitled "Development of agricultural production", under which a few specific projects are being executed, does not meet the demand. The Trust Fund of the Consultative Assembly of Uprooted Population Groups/ Ministry of Agriculture, Livestock and Food is still at the negotiation stage. On the other hand, the execution of three major projects with a land management approach, funded by the European Union and with inputs from the Government, is about to begin.

28. The adoption of Decree No. 75-97 fulfilled the commitment to provide the uprooted population with personal documentation, although there were constraints on its implementation (see A/54/526, para. 12). In order to complete this process, the Government, at the request of CTEAR, is drafting a bill to extend the decree's duration. It would be advisable for the extension to be approved before 15 October 2000, when the current legislation expires.

C. Agreement on Identity and Rights of Indigenous Peoples

29. In my fourth report, I recommended that the new authorities should continue with the consultation and coordination mechanisms initiated in 1997 and follow up on the work already done by the joint commissions on land, official recognition of indigenous languages and educational reform as provided for in the Agreement on Identity and Rights of Indigenous Peoples (A/49/882-S/1995/256, annex). I also stressed the importance of keeping the issue of the preservation of holy places on the agenda and of taking up again the issue of procedures for the participation of indigenous people at all levels. The Follow-up Commission also set a high priority on strengthening the commissions created to deal with issues under the Agreement and on promoting implementing legislation. During the reporting period, no progress was made in addressing the main commitments made under the Agreement.

30. The Mission attaches particular importance to monitoring not only compliance with the specific commitments made under the Agreement but also the incorporation of a multicultural perspective into the design and implementation of public policies in the social, economic and cultural areas. A number of ministries are carrying out pilot decentralization projects based on new social participation structures, chiefly in the areas of health and education. In some cases, this process overlooks existing forms of participation, notably those of indigenous communities and their traditional authorities. The Mission recommends that the recognition of the legal personality of indigenous communities should be made effective and reiterates the importance of the commitment to create consultation mechanisms allowing indigenous people to participate in decision-making on public matters that concern them.

31. After submitting its proposal on the official recognition of indigenous languages, the joint commission on that issue was disbanded. The Government has not designated the institution that will follow up the proposal. The Permanent National

Commission for the Official Recognition of Indigenous Languages and the Academy of Mayan Languages of Guatemala prepared a preliminary draft of a bill on languages, but lack of funds has prevented it from being submitted to the linguistic communities for endorsement. The Mission urges the Government to make the necessary efforts to fulfil this commitment in its entirety and, in particular, to promote the use of indigenous languages in the delivery of State social services at the community level. In May 1999, the Follow-up Commission, with the backing of Maya spiritual leaders, presented a proposal to the Ministry of Culture and Sports on reactivating the Commission on Holy Places. The proposal, which was resubmitted after the change of Government, is intended to relaunch negotiations between the Government and spiritual leaders.

32. The Joint Commission on Reform and Participation proposed amendments to the Municipal Code and the Development Councils Act, but discussions on both proposals are at a standstill pending the formulation of decentralization strategy. The new representatives of the Government and SEPAZ are refocusing the Commission's work towards broader proposals covering issues of decentralization, participation and governance. The Mission trusts that the positive intention of broadening the opportunities for debate and consensus-building with other social actors will nevertheless respect the nature of this Commission, which has been judged an important mechanism for participation and consensus-building between the Government and indigenous peoples. With regard to access by indigenous people to public service, the Mission welcomes the appointment of members of the Maya people to high-level political posts. These appointments are a step towards improving relations between the State and indigenous peoples. However, the number of such appointments is still very small and is insufficient to reverse the traditional exclusion of members of the indigenous peoples from senior government posts.

33. The Joint Commission on Rights relating to Indigenous Peoples' Land continued its work, although it faced considerable difficulties owing to the turnover in its membership, particularly in the Government's representatives, and the absence of technical, logistical and economic support. The Mission notes that the commitments concerning land and natural resources are a key issue that transcends the economic use of land, is highly sensitive and offers considerable potential for social conflict. It is therefore urgent that the commitments relating to land contained in the peace agreements should be addressed comprehensively, especially those relating to the recognition and regulation of indigenous communities' land tenure, the use and management of their natural resources, the legal protection of communal land and the creation of an agrarian and environmental jurisdiction.

34. The proposal submitted by the Joint Commission on Educational Reform, which envisages an intercultural, bilingual education system in keeping with Guatemala's cultural and linguistic diversity, was welcomed by the Advisory Commission of the Ministry of Education. The Commission is currently planning a consultation process in the country's 331 municipalities, an effort that needs to be adequately funded. Given the issue's great importance for Guatemalan society and for the consolidation of peace, the Mission supports the SEPAZ proposal to give priority to the Joint Commission's recommendations and hopes that this will soon give rise to an appropriate plan of action.

35. The Mission notes with satisfaction the increase in the number of studies on indigenous customary law carried out by educational institutions and research centres. This should facilitate the discussion and drafting of legislative proposals for recognizing customary law and harmonizing its application with that of State law. The Mission has also noted that knowledge of indigenous languages has been included on the application form for posts in the judiciary; the form was used in the appointment of justices of the peace in the second half of 1999. In another development, the Congressional Committee on Indigenous Communities reopened its consideration and discussion of the bill amending the Penal Code to characterize discrimination as a crime. However, the current legislature has not put this important bill on its agenda for debate.

36. The General Assembly of the United Nations, in paragraph 3 of its resolution 54/99, took note with satisfaction of the establishment of the Office for the Defence of Indigenous Women's Rights as one element of the progress made in the implementation of the peace agreements. However, the Office's operational capacity and effectiveness could be undermined if it does not receive strong Government support in carrying out its mandate. The Government has

committed limited resources to its funding. On 27 June, COPREDEH signed a cooperation agreement with the Government of Sweden and the United Nations Development Programme (UNDP); the object of the cooperation project is to help the Office's Coordinating Board draft its rules of procedure and strategic deployment plan. The Mission shares the concern that the legislation setting up the Presidential Secretariat for Women does not recognize the Office for the Defence of Indigenous Women's Rights as a body with which it should coordinate on matters of public policy, programmes and projects relating to indigenous women, as proposed by a number of government bodies and organizations of civil society.

37. On the question of giving indigenous communities access to radio frequencies, the previous Government's proposal to make a number of amplitude modulation (AM) frequencies available to a committee of organizations of civil society in which indigenous peoples were represented was never acted upon (see A/54/526, para. 29). Recently, in response to one of the recommendations of the Special Rapporteur for Freedom of Expression of the Inter-American Commission on Human Rights of the Organizations of American States, the Government temporarily suspended the public auction of radio frequencies. The Rapporteur had proposed the suspension pending implementation of the commitments made in the Agreement to amend the Radio Communications Act so as to make radio frequencies available for indigenous projects.

D. Agreement on Social and Economic Aspects and the Agrarian Situation

38. This report will approach the status of implementation of the commitments made in the Agreement on Social and Economic Aspects and the Agrarian Situation (A/50/956, annex), from the standpoint of the public policy directions taken by the new Government. Like the previous report and given their centrality to the peace agreements, it will focus on fiscal issues and rural development, as well as on labour relations and social participation and development.

Fiscal policy

39. In drawing up the outstanding peace agenda, the Follow-up Commission indicated that one of the most important goals for the governance of the country was to give the State the necessary resources to meet its basic responsibilities, and that only a greater mobilization of national resources could ensure the growth in public spending needed to finance peace and development without causing macroeconomic imbalances.

40. In 1998, in view of the significant delay in meeting the agreed taxation target, the Follow-up Commission rescheduled that target to 2002. As part of the rescheduling agreement, it was proposed that the various sectors of society should take part in a process of national consultation on the country's fiscal policy. The Follow-up Commission set up the Fiscal Pact Preparatory Commission, which, after extensive consultation, produced a document, "Towards a fiscal pact in Guatemala", which served as a basis for reaching consensus. On 25 May, after an intensive process of dialogue and negotiation, over 130 organizations representing a broad spectrum of society, in the presence of the heads of the three branches of government, signed the Fiscal Pact for a Future with Peace and Development, which, in keeping with the peace agreements, sets forth the principles and commitments that should guide fiscal policy in the coming decade.

41. Subsequently, on 20 June, representatives of civil society and business, in a meeting moderated by the Follow-up Commission, signed the Political Agreement for Funding Peace, Development and Democracy in Guatemala, which sets forth specific measures for beginning the tax and administrative changes needed to build a new fiscal system. On 28 June, the signatories to the political agreement and representatives of the executive branch and the Congress of the Republic successfully completed negotiations on a set of fiscal measures to be implemented beginning in July and, progressively, throughout the rest of the year. The Mission believes that the content of the political agreement reflects the principles of sufficiency, sustainability and progressiveness laid down in the peace agreements and the Fiscal Pact, and it commends the efforts of the social and business sectors which signed the Political Agreement. The early entry into force of the agreed tax measures and their proper implementation should enable the tax burden, estimated at 9.2 per cent of the gross domestic product (GDP) for 2000, to reach the target of 12 per cent by 2002.

Rural development policy

42. Crucial commitments concerning the agrarian situation remain to be implemented, for instance, the establishment of an agrarian and environmental jurisdiction, the promulgation of a land registry act and the regularization of the award of title for lands granted by the former National Institute for Agrarian Reform and lands belonging to indigenous communities. The agrarian policy proposal drawn up by the Ministry of Agriculture, Livestock and Food omits such fundamental issues as the land rights of indigenous communities, legal reforms in the agrarian sphere, the need to increase the land assets of FONTIERRAS by regularizing and recovering illegally awarded State lands and the need to give priority to uprooted populations. Moreover, a comprehensive rural development strategy, one of the key commitments in the Agreement, still remains to be designed.

43. The agricultural policy for the period 2000-2004 presented recently by the Ministry includes guidelines for assisting small farmers but no specific investment plans for promoting their development. It has no guidelines on how to take account of multiculturalism or how to guarantee the right of indigenous peoples to be involved in decision-making on their own development. Policies for the participation of women and rural youth must also be translated into adequately funded programmes and projects which include affirmative action for giving those sectors equitable access to resources and services and which also consider the multicultural dimension.

44. Positive steps have been taken to formulate an environmental policy that is consistent with the content of the peace agreements. The Government's strategic priorities in this area include ensuring that environmental policies are integrated and cross-cutting and, in the area of land management, defining and integrating national environmental policies and promoting public participation through consensus. The Mission reiterates the importance of complying with the commitments made in the peace agreements with regard to the environment and natural resources, including the right of indigenous communities to take part in their management.

Labour relations

45. In its report on this issue, the Mission noted that there was a glaring disproportion between the magnitude and complexity of the country's labour problems and the human and material resources allocated by the State to overcoming them. It also noted that labour issues play a secondary role in political decision-making. The scant development of a social dialogue, the multiple weaknesses of social organizations, the lack of institutional cohesion which characterizes the Ministry of Labour, the slow and ineffective functioning of the judicial system and the serious violations of trade union activists' fundamental human rights all make up a picture which is far from encouraging and which must be tackled by resolutely fulfilling the commitments made in the peace agreements.

46. The agreements envisage a growth strategy which will include an improvement in wage-earners' incomes. The Mission therefore welcomes the increase in the minimum wage and in bonuses decreed in early 2000. In order for those increases to benefit workers, it must be ensured that the wages are actually paid, especially in rural areas. Accordingly, the Ministry of Labour will have to be strengthened both financially and institutionally. Measures will also have to be taken to help those categories of workers, such as female agricultural workers and domestic employees and child workers, for whom it is very difficult to secure payment of the corresponding legal minimum wages.

47. The Mission is gratified that the President of the Republic has sent to the Congress a bill containing amendments to the Labour Code that would bring national legislation into line with the standards set by International Labour Organization conventions. The Mission will monitor the bill's progress and hopes that other commitments requiring legislative changes, for instance, those on vocational training or the revision of labour legislation concerning women, especially women working in private homes, will also be acted upon shortly. In the area of labour negotiations, there have been some recent noteworthy attempts at the regional level, for instance, in the department of Izabal, to create permanent forums for the prevention and resolution of various labour problems.

Social development

48. The Mission has already reported on the progress made in meeting the targets for health and education coverage and infrastructure investment. However, Guatemalans still do not see the peace process as having brought about any major, tangible

improvements in their lives. If they are to commit themselves firmly to that process, they must be able to feel that their living conditions have improved as a result of the peace agreements. The Follow-up Commission has said that it will pay special attention to the fulfilment of the health, education, housing, employment and social security commitments made in the agreements, both as regards administrative policies and decisions and as regards the budget allocation for the next fiscal year.

49. During the verification period, progress in fulfilling the commitments on social development encountered serious obstacles. The execution of public investment in the social sphere was delayed because the new authorities took a long time to review and evaluate programmes aimed at meeting the coverage targets set in the peace agreements and also to formulate new social policies. Moreover, the almost 20-per-cent cut in the approved budget, except for health, education and security, affected the State's physical and financial investment capacity. The budget cuts affected not only public investment in the country's poorest areas, but also the funding of many commitments scheduled for implementation in 2000. As a result, in the first six months of this year, very little progress was made in meeting the targets for social investment and for coverage and quality of social services.

50. In 1999, public spending actually slightly exceeded the target set in the peace agreements. For 2000, the social sector budget is 3,854,300,000 quetzales (approximately US$ 500.6 million). The Mission found that, by the end of May, only 31 per cent of this amount had actually been disbursed. Although the Ministry of Education was not directly affected by the budget cuts, some budget lines related to the fulfilment of commitments under the peace agreements were cut. These included the out-of-school education programme and the training of teachers and school administrators. The Mission is also deeply concerned at the fact that the civic education programme is still receiving no State funding, despite its crucial importance for shaping a new civic and democratic culture.

51. The Ministry of Education has announced publicly the new education policy for the period 2000-2004, as well as the implementation of the national literacy programme which it hopes will reduce the illiteracy rate to around 15 per cent within four years and will benefit 2.8 million people. The Mission welcomes this initiative, which envisages the broad participation and solidarity of different sectors of society and will involve close cooperation between the Ministry of Education and the National Literacy Committee. The first literacy day is scheduled for the period October 2000-March 2001, but as yet no resources are available to fund it. The Mission also welcomes the launching of a number of experimental programmes for teaching literacy bilingually, in Mayan languages and Spanish simultaneously, which are being supported by the international community and the United Nations. It is gratified that programmes are being launched which reinforce bilingualism and it will monitor their progress closely.

52. In 1999, public spending in the health sector amounted to 1,899,700,000 quetzales (US$ 246.7 million), substantially more than the target set for that year in the peace agreements. The budget approved for 2000 is 2,029,700,000 quetzales (US$ 263.6 million), an amount which is consistent with the target set in the peace agreements but only 29.2 per cent of which had been disbursed by May 2000. With regard to the new health policy, the Ministry published the National Health Plan 2000-2004, the basic objectives of which are: to bring health care to population groups not previously reached by such services, especially indigenous women and migrant workers; to provide for women's overall health needs; to give renewed importance to traditional medicine; to decentralize health care; and to improve coordination within and among sectors. In connection with decentralization, it proposes the design and implementation of a pilot plan in those communities which lag farthest behind in terms of health and sanitation services. It also includes plans for promoting women's health, such as adequate access to prenatal care and childbirth services. The Mission commends the Ministry's approach of moving beyond the monitoring of maternal health to monitoring the health of families, including children and adolescents, meeting women's overall and reproductive health needs and promoting responsible parenthood.

53. In 1999, the budget allocated to the housing sector was 393,900,000 quetzales (approximately US$ 51.2 million), which was more than the target set in the peace agreements. Nevertheless, verification revealed serious shortcomings in fulfilling a number of commitments in that area (see A/54/526, paras. 52 et

seq.). For 2000, the resources allocated are equivalent to 2 per cent of tax revenues, again exceeding the target. However, the suspension of the activities of the Guatemalan Housing Fund (FOGUAVI) during the period from January to May and the closure of its departmental offices are cause for considerable concern. None of the budget of 295,300,000 quetzales (approximately US$ 38.4 million) was disbursed during that period. In addition to causing unemployment in the construction industry, the suspension of the Fund's activities, coupled with the delay in formulating a new housing policy, is causing growing discontent among the affected populations. At the end of the period, the Ministry of Communications, Transport, Public Works and Housing announced the allocation of 200 million quetzales (approximately US$ 25 million) to providing housing for uprooted and demobilized populations. It is essential that FOGUAVI resume its activities as soon as possible and that a comprehensive housing policy be defined and implemented which gives priority to low-income groups. Such a policy will have to envisage integrated approaches within the framework of land management programmes.

Social participation

54. The system of development councils does not as yet constitute a mechanism of social participation and consultation. The development councils have made progress as forums for allocating the budget of the Solidarity Fund for Community Development and for approving municipal projects. However, organizations of civil society are still not participating in the councils as fully as they should. Verification shows that, in some municipalities, the decision to bring new social actors into the councils is left to the mayor, in the absence of an institutional policy to that effect. It is also important that the councils be given an effective role in the preparation of medium- and long-term development plans.

55. In its previous report, the Mission mentioned the adoption of the new Executive Branch Act and reiterated that it was important for enhancing the standing of the departmental governorship that, in the elections to be held at the beginning of 2000, governors should be elected according to the procedure established in the Act. It is cause for concern that the procedure followed for appointing the current governors ignored candidacies put forward by the non-governmental members of departmental development councils, despite the stipulations of the Act. While it is true that in some cases non-governmental representatives were unable to arrive at a consensus on candidates, candidacies were put forward in a number of departments. Although the executive branch took some action to rectify the situation, almost all the governors were confirmed in their posts.

56. With regard to the Women's Forum, locally-based processes developed differently from the Coordinating Commission for the Women's Forum, in some cases gaining a legitimacy that had an impact on local and departmental power structures. This marks a qualitative step forward from participating to actually influencing decision-making processes. It is therefore strategically important that these women's organizational structures should broaden their bases and take on the role of monitoring compliance with the policy proposals which they themselves generated through their participation in local consultations. The nature and composition of the Coordinating Commission must also be reformulated in order to make the Forum's outcomes binding and give it the coordinating and influential role that will enable it to comply with the provisions of the Timetable Agreement on monitoring the commitments related to women.

57. In its previous report, the Mission acknowledged the determination of the executive branch to produce a single policy document on equity and emphasized the need to create a lead agency at the highest level to ensure compliance. In this connection, it welcomes the Government's commitment to development and social equity expressed to the General Assembly of the United Nations at its twenty-third special session, entitled "Women 2000: gender equality, development and peace for the twenty-first century". The establishment of the Presidential Secretariat for Women, as an advisory and public policy coordinating body for promoting the all-round advancement of Guatemalan women and the development of a culture of democracy, represents progress in raising the level of the national machinery for the advancement of women. It is hoped that this new institution will play an active role in the implementation of the National Policy for the Advancement and Development of Guatemalan Women: Equal Opportunity Plan, the outcome of consultations among various institutions and women's organizations. The Secretariat should also mark a stage in the transition towards autonomous

national machinery at the highest level, as advocated for over a decade by various women's organizations. The Mission likewise hopes that the Secretariat's rules of procedure will reflect the consensus agreements arrived at by various governmental institutions and women's organizations in preparing the proposed governmental agreement submitted to the President of the Republic. Those rules should define the mechanisms whereby the Secretariat will coordinate with institutions created under the peace process and engage in a dialogue with their representatives.

E. Agreement on the Strengthening of Civilian Power and on the Role of the Armed Forces in a Democratic Society

58. The verification period saw the entry into force of the Career Judicial Service Act, an important landmark in the process of strengthening the administration of justice. However, a number of judges and magistrates expressed concern about the Act's implementing regulations, approved on 26 February, which include some rules that conflict with the letter and the spirit of the Act. In particular, the Mission is concerned that adopting different judicial opinions in similar cases is classified as a misdemeanour. Requiring judges to abide by their own precedents limits the independence of the judiciary, in contravention of article 203 of the Constitution. The Judicial Civil Service Act, another important landmark in the modernization of the judiciary, was adopted on 30 November 1999.

59. In December 1999, the Ad Hoc Commission, which had taken over from the Commission on the Strengthening of the Justice System set up under the Agreement, completed its work. The Ad Hoc Commission's tireless efforts earned it the recognition of the Government and society. On 5 January 2000, the National Commission for Monitoring and Supporting the Strengthening of the Justice System, made up of representatives of judicial institutions and other citizens and responsible for advising on and supporting the modernization, reform and strengthening of the justice system, took up its functions. It has since prepared a five-year strategic plan. The Mission is continuing to advise the Commission and believes that this important forum must be supported by society, the authorities and the international community. In May, the regional and national assemblies of judges and magistrates were held and culminated in the election of judges' and magistrates' representatives to the Career Judicial Service Council. The Mission observed the elections and considers them to have been democratic and transparent, getting the process of creating a career judicial service off to a good start. The strengthening of the selection, training and evaluation mechanisms which go to make up the career judicial service will depend on the efficiency with which the Council, which needs to be set up as soon as possible, performs its task.

60. *With regard to the commitment to amend the* Penal Code, the Agreement establishes that the reform of the administration of justice, a process which began with the enactment of the Code of Criminal Procedure in 1993, must culminate in the adoption of modern criminal legislation which limits the sphere of action of the criminal justice system to the prevention and punishment of conducts genuinely detrimental to society. Accordingly, the reform must aim to ensure that the settlement of ordinary disputes is handled by other branches of the judiciary, such as the family, labour or administrative courts, or through conciliation or other alternative solutions. The parties also agreed that the amendments to the Penal Code should take into account the country's multicultural nature, bring the Code into line with the provisions of the International Convention on the Elimination of All Forms of Racial Discrimination and characterize ethnic discrimination and sexual harassment as crimes (see para. 36).

61. The Mission notes with concern that the various initiatives proposed thus far, some of which have been passed into law, reduce the process of amending the Penal Code to imposing stiffer sentences for certain crimes. Universal experience has shown that the adoption of such measures, as quick fixes to the rise in crime, is ineffective in lessening the volume and seriousness of crimes. The penal system will neither act as a deterrent to criminal activity nor be an effective remedy to impunity as long as society and the public authorities fail to take substantive decisions aimed at improving the functions of prevention, investigation and prosecution, as well as the prison system.

62. The period under review witnessed scant progress in strengthening the Public Prosecutor's Office. The Office of the Attorney-General is carrying out a project to monitor local prosecutor's offices which, with the exception of Zacapa, have completed the restructuring process carried out under the UNDP-financed

Programme for the reorganization of district and municipal prosecutor's offices. The San Juan Sacatepéquez district prosecutor's office and the anti-corruption unit were established. The latter's jurisdiction has not been clearly defined and it has yet to make tangible progress in its important work.

63. In April, the Mission published a verification report on the situation in Guatemalan prisons. The report highlighted serious deficiencies in infrastructure, trained personnel and prison security, which have led to a large number of escapes, as well as overcrowding and deplorable living conditions for inmates, more than 60 per cent of whom are still awaiting sentencing. Attention is drawn to the basic agenda for prison reform, contained in that report, which includes recommendations to the relevant State institutions. The Mission will follow closely the debate in the Congress on new legislation governing the prison system, in the light of the provisions of the peace agreements and the international norms binding on Guatemala.

Public security

64. This issue remains one of the public's chief concerns. During the period under review, the public perception of heightened insecurity and criminal violence continued to grow. At the same time, frequent changes in the PNC command structure created the feeling that the institution was unstable. The widespread impression of police ineffectiveness coupled with strong criticisms, culminated in the dismissal of the recently appointed Director of the National Civil Police and the designation of a new director with extensive experience in this type of public service.

65. With regard to police rules and regulations, a number of reforms were introduced, including the creation of an anti-kidnapping squad as a specialized unit for preventing, investigating and prosecuting the crimes of abduction or kidnapping and extortion. In this connection, the Mission expresses its concern at the withholding of the identify of investigators and operatives for a 10-year period, a provision which could undermine the principles of accusatory criminal proceedings in force in Guatemala.

66. The National Civil Police is currently deployed in all 22 of the country's departments and covers 307 of its 331 municipalities. There are 27 departmental police stations, 137 stations and 330 substations, with district police stations yet to be organized. Despite their increased presence in the territory, the infrastructure and equipment of police units remains inadequate. Coupled with this, a serious management crisis is adversely affecting logistics, particularly fuel supplies, spare parts and vehicle maintenance.

67. The PNC force has 16,205 members, of whom 6,273 (39 per cent) are new recruits and 9,932 (61 per cent) come from the former security forces. Ten per cent of the force (1,692 are women, most of whom do administrative work and do not as yet have access to higher-level and managerial posts. The number of indigenous people who apply and are selected, trained and deployed remains low. There are currently 1,082 police who speak an indigenous language, but some are assigned to places where the language they know is not spoken. Lastly, the Mission notes that, in general, the PNC regime of confinement to barracks is affecting the police morale and preventing the provision of a better public service and, hence, the development of a relationship with the community. The current system requires police to alternate 24-hour shifts with 24 hours' rest on call at the police unit, with only four days' off per month. The situation is even worse for police assigned far from home.

68. The Police Academy has continued to train new police recruits and has completed the retraining process of former members of the National Police and Treasury Guard. Given the worrying shortage of new police recruits, it is essential that the Government pursue a resolute policy of recruiting throughout the country and particularly in indigenous areas, in order for graduates of the Academy to have a positive impact throughout the new police force. It is also important to move ahead with the process, already begun by the new authorities, of adapting curricula to the country's requirements and to the need to develop police practices aimed at ensuring respect for human rights and the strengthening of administrative and operation capacities. The Mission reiterates the need to strengthen police training at all levels. This will entail developing specialized training, promoting the training of new and incumbent high-ranking officers, supporting efforts to build a relationship with the community, defining police doctrine, promoting a scholarship policy and the teaching of indigenous languages and making progress in establishing a degree course in public security and police science.

69. The Mission reiterates its concern at the lack of development of the PNC information and criminal investigation services. Three years after its creation, the Criminal Investigation Service is still deployed in only 14 departments and its staff has not increased significantly. These constraints are preventing the State from guaranteeing the efficient criminal investigation that is essential for effectively combating crime and impunity. Likewise, the Mission found that the Police Information Service, whose main function is to support the fight against crime, particularly organized crime, has been seriously weakened and needs its institutional role to be clearly defined.

70. Notwithstanding efforts to modernize the disciplinary section and the Office of Professional Accountability of the National Civil Police, the Mission considers it essential to create higher oversight mechanisms to monitor the overall functioning of the police, in terms of both its procedures and its operations. In this regard, it is concerned at the regulation of dismissal for "acts which seriously affect the prestige of the institution", which leaves the characterization of the act to the discretion of superiors and also offers an alternative to disciplinary and administrative proceedings.

71. SEPAZ has included the promotion of the Public Order Act and the Civic Service Act and the establishment of the Advisory Council on Security among its priorities for 2000. These are outstanding commitments whose importance has been reiterated constantly by MINUGUA and whose implementation depends basically on the Government's political will. I trust that the authorities will take all necessary steps to fulfil these commitments and observe the priorities established by SEPAZ, thereby strengthening the peace process legally and institutionally.

72. The Mission's verification found that, up until the end of 1999, the functioning, structure and composition of the Strategic Analysis Secretariat violated the provisions of the peace agreements. Its composition did not respect the civilian nature of the institution as provided for in the Agreement, in that over half its members were military personnel, some of whom held strategic management positions. With the change of government, progress has been made in ensuring that the Secretariat is strictly civilian. MINUGUA will pursue its verification to ensure that this situation is maintained.

73. On 9 June, the Secretariat authorities submitted their plan of work, which includes the organizational restructuring and functional rethinking of State intelligence mechanisms. They indicated that the Secretariat's mission is to advise the President on the creation of institutions for participatory democracy and development with equity by providing information and situational and forward-looking analysis for decision-making purposes. The guiding principles of the reform exercise will be respect for human rights, legality, transparency and trust. MINUGUA welcomes with interest the announced initiative and will continue to verify its implementation and to ensure that the Secretariat does not carry out its own covert investigations.

Armed forces

74. The peace agreements lay the groundwork for improving civilian-military relations and redefining the role of the armed forces. Despite the constraints imposed by the failure to ratify the constitutional reforms, the Follow-Up Commission gave priority to these commitments and highlighted the need to make progress in such areas as the modification and adaptation of military doctrine, the strategic territorial deployment of the armed forces and the reform of State intelligence and of training programmes.

75. With regard to the reduction of the armed forces budget as provided for in the peace agreements, unfortunately, the sum allocated — 913.6 million quetzales (approximately US$ 118.6 million) — failed to meet the agreed reduction target; this is a clear setback in fulfilling that commitment. It is also particularly serious that, according to official information received by the Mission, during the previous Government FONAPAZ transferred proceeds from the sale of State assets for the purchase of military equipment. In addition to being completely contrary to the objectives of FONAPAZ, this indirectly increased the amount of the armed forces budget.

76. The Mission informed the authorities of the findings of its verification of the deployment of the armed forces during the period under review. It, inter alia, expressed concern at the appropriateness of maintaining the same geographical deployment in the Ixil area as during the armed conflict and at a number of units whose presence is not strictly justified by national defence objectives. It should be noted that, since the present Government took office and the

verification findings were made known, some progress has been made, including the decommissioning of more than 30 units and the dismantling of the Maya Task Force and relocation of its units, as recommended by the Mission. The military authorities have indicated their readiness to continue with redeployment. These developments are very positive and the Mission will continue to verify very closely that the commitment on redeployment is fulfilled in accordance with the national defence objectives established in the peace agreements.

77. On verifying the civilian affairs units in military zones, the Mission was disturbed at some aspects of the role which they play. Within the units, terminology is still being used which is incompatible with the relationship that must exist between society and the armed forces now that the armed conflict is over, for instance, "psychological operations squadrons", "ideological specialist sergeants" or "ideological operators". The Mission has also observed that the so-called "area reports" prepared by civilian affairs units include assessments as to citizens' political ideology, their interest in or indifference to the political system, local leaders or links to the internal armed conflict. Such activities with regard to the population are incompatible with the role of the armed forces in a democratic, peaceful society and seriously violate the peace agreements. Moreover, in a number of cases, the Mission was not allowed to see the content of these reports, which violates the Government's commitment to extend whatever cooperation the Mission requires for the performance of its functions. These incidents prompted the Mission to send a communication to SEPAZ and to the Minister of Defence.

78. The proposed "doctrinal manual of the Guatemalan armed forces", submitted in late 1999 by the previous Government, did not meet expectations of fulfilling the commitment on the formulation of a new doctrine as mentioned in my previous report. The manual had a number of defects and focused almost exclusively on military aspects. The present Government took over this manual, which it views as a working draft, and has expressed its willingness to include more sectors in its discussion. Within civil society, an academic project is under way in this regard, involving representatives of both State institutions and a broad spectrum of social and political organizations, active and retired members of the armed forces, non-governmental human rights organizations and academic and research institutions. Th has created a renewed opportunity fo between the armed forces and civil socie issues as the concept of security and t agenda, military doctrine, democratic con armed forces and the redefinition of the armed forces in a democratic society. The these discussions may be an important inp defence policy, including military doctrine

79. The Congress of the Republic began di the proposed amendments to the Act estab armed forces, submitted by the execut pursuant to the peace agreements. W framework of its mandate, the Mission con its observations on the content of the p SEPAZ and held information meetings Congressional Committee on Defence. B constitutional reform was not ratified in referendum, the proposal, which creat equivalent to general to enable a civi appointed Minister of Defence, has been s the Constitutional Court. The Mission will process closely to determine the compatib reform with the peace agreements.

80. The commitment made by the Government to disband the Presidential G before the end of its term of office was n The new Government has made some progr fulfilling this commitment by including the of the General Staff in its draft amendment establishing the armed forces. It also esta Secretariat of Administrative Affairs and the Presidency of the Republic, recruited the Secretariat's first group of personnel rules governing its structure and function has given priority in its strategic gu continuing the process of disbanding the General Staff. The Mission will verify that of fulfilling this commitment is completed possible and that the new institution is in k the provisions of the Agreement.

81. The commitments on using the ar munitions factory to meet the needs of t Civil Police and on the disposition of the frequency assigned to the Guatemalan arme nearing fulfilment. In the former case, fo corresponding technical studies, it was deci high cost of launching a new manufactu cover the needs of the civilian public sec

would make it uneconomical. In the latter case, while there has been de facto fulfilment, in that the armed forces no longer use the television frequency, the Mission is awaiting official notification from the Government of the decisions on its reassignment.

82. The Mission is extremely concerned at the content and potential impact of the application of the recently adopted Support for the Civil Security Forces Act. As already indicated, the participation of the armed forces in public security tasks is a major setback for the process of demilitarizing public security pursuant to the peace agreements. Moreover, in the Mission's view, the Act contains serious legal ambiguities and reflects a public security policy that does not include the qualitative and quantitative strengthening of the National Civil Police. The massive reincorporation of the armed forces in public security tasks will affect their modernization, with respect to both their continued redeployment and the rational use of resources for national defence functions. Moreover, earlier MINUGUA verifications show that failure to provide members of the armed forces with specialized training in public security tasks poses a potential risk to the full enjoyment of human rights.

F. Agreement on Constitutional Reforms and the Electoral Regime

Electoral regime

83. The draft amendments to the Elections and Political Parties Act are being discussed in the Electoral Affairs Committee of the Congress of the Republic. The basis for this discussion is the preliminary draft submitted by the Supreme Electoral Tribunal, which reflects the consensus reached within the Electoral Reform Commission. The Congressional Committee has launched a broad debate on the amendments and is receiving proposals on this issue from women's organizations, civic committees and the Chamber of Communications and Radio Broadcasting of Guatemala. Despite the support for the amendments expressed by the President of the Republic and the President of the Congress, the Mission is concerned at the slow pace of the legislative process of consensus-building and subsequent drafting of favourable ruling that would permit the parliamentary debate and the adoption of the necessary electoral reforms. As the Mission has already indicated, those reforms could contribute to greater public participation in the political process and to the strengthening of the democratic system and political parties.

G. Agreement on the Basis for the Legal Integration of the Unidad Revolucionaria Nacional Guatemalteca

84. During the period under review it was observed that the unease, mentioned in other reports, which demobilized population groups were feeling at implementation delays had evolved into a perception that compliance with the agreement as a whole (A/51/776-S/1997/51, annex II) was at a standstill. The Mission reiterates the importance of timely and effective compliance with this Agreement for the consolidation of the peace process and for democratic governance.

85. In 1997, the Mission verified the successful demobilization process and the beginning of the initial integration of URNG as provided for in the peace agreements, and stressed that this was one of the most important developments in the peace process. In November 1998, the Mission verified the conversion of the former rebel movement into a political party, a process that was free of violence and acts of reprisal and was viewed as a major advance in the national reconciliation process. URNG participated for the first time as a political party in the elections held at the end of 1999, winning nine seats in the Congress and 13 mayoral posts as a member of the Alianza Nueva Nación.

86. Compliance with the commitments on the demobilization and initial integration of former combatants contrasts with the continuing difficulties in their definitive integration. The period under review was again characterized by serious delays in the implementation of production projects for most of them and difficulties in integrating them into the workforce. The delay in making available some contributions pledged by the international community, which has now been overcome, was compounded by the lack of national counterpart funds for the Programme of Support for the Reintegration of Former Combatants (PAREC II) which is targeted at this population. I should like to stress how important it is that the Government fulfil its commitments in this regard, which are essential for the effective implementation of the Agreement, especially by guaranteeing its

counterpart contributions to the support provided by the international community. In addition, the implementation of the approved production projects must be speeded up and the terms of the PAREC II credit component must be made more flexible.

87. Implementation of the programme of production projects began after a delay of over a year (see A/54/526, para. 85). It is hoped that the programme will benefit nearly 1,500 demobilized combatants, in other words, approximately half the total demobilized population. Execution of another programme of community production projects, financed by the European Union, will begin in the next few months and will benefit 25 communities in which demobilized persons are living. The integration of demobilized women continues to face additional difficulties since, while projects include women as beneficiaries, no specific measures have been envisaged to facilitate their access to such projects.

88. The design of the comprehensive programme for disabled persons, which will benefit URNG, the armed forces and civilians disabled in the armed conflict, has been completed. This programme, which consists of production projects, social organization and participation and comprehensive health care, has no government funding for the health care component. The production projects will shortly be assisting 267 disabled persons, with financing provided mainly by the international community. The subprogramme for exhuming the bodies of URNG members killed in combat is still awaiting receipt of the funds pledged by the Government and completion of the necessary legal procedures.

89. With regard to the housing component, 891 housing units, financed from a special budget of the previous administration, are being built for uprooted and demobilized population groups. The new authorities in the housing sector have expressed their readiness to continue serving those population groups (see para. 53). Access to land for 13 applicant groups (411 families) which include 275 demobilized persons is being affected by the budgetary constraints under which FONTIERRAS is operating.

90. In the light of the foregoing, I reiterate my recommendation that the Guillermo Toriello Foundation be strengthened. The Foundation is crucial to the continuation of the still fragile integration process and its limitations are preventing it from contributing effectively to overcoming the glaring deficiencies noted in the implementation of this Agreement. I invite the international community to pursue efforts to strengthen the Foundation and urge the Government to provide it with the support it needs to perform its tasks.

III. Final observations

91. In my fourth report, I referred to the challenge of continuing the peace process, from the standpoint of both consolidating what had already been achieved and complying with the outstanding agenda. Accordingly, I should like to reiterate my satisfaction at the fact that the present Government, at its inauguration, pledged to continue the process and reaffirmed the principle that the peace agreements are commitments of State. The various protagonists of the peace-building process must carry out the priorities established at the current stage while simultaneously complying with the full range of commitments required by the peace process. It is also particularly important that the Follow-up Commission again undertake the exercise of rescheduling the commitments that have not been complied with and scheduling the ones not contained in the Timetable Agreement.

92. The Fiscal Pact and the Political Agreement for Funding Peace, Development and Democracy, which were arrived at through a methodology of broad participation and consultation in the political, social and economic spheres, are a major achievement from the standpoint of the political philosophy underlying the peace agreements. In Guatemala, whose recent history has been marked by confrontational and exclusionary attitudes that led to the use of violence as a political tool, it is important to continue to make progress in building a new culture based on dialogue and social consultation among the various sectors and cultures. The Fiscal Pact experience is a major step forward in the national reconciliation process and should guide the work of reaching consensus on other issues of special significance to the peace process.

93. Using similar methodologies will make it possible to take new steps such as those provided for in the governance pact, which is aimed at establishing a national anti-poverty strategy based on full compliance with the peace agreements, especially the Agreement on Social and Economic Aspects. This should

contribute to overcoming the structural causes that gave rise to the armed conflict and to eradicating socio-economic exclusion processes, ensure rapid, equitable and fair economic growth and achieve a higher level of human development for Guatemalan society.

94. The increased mobilization of national resources that will result from the approval and implementation of the tax measures agreed within the framework of the Fiscal Pact will give the State the capacity to finance adequately a large number of commitments whose fulfilment has been affected by lack of resources and budget cuts.

95. The depth and extent of poverty and social exclusion in rural areas require a concerted effort to promote an institutional framework for the design and implementation of a comprehensive rural development strategy that will create and strengthen the socio-economic foundations of democracy. The immediate formulation of a comprehensive rural development policy is one of the priorities established by the Follow-up Commission, particularly in the light of the significant delays in the implementation of a number of commitments relating thereto.

96. In my previous report, I mentioned that the quantitative aspects of the commitments relating to the armed forces had been complied with and I stressed the need to speed up the outstanding qualitative restructuring. To this end, the commitments relating to redeployment and to the elaboration of a new doctrine with the participation of social and academic sectors must be complied with fully and the necessary changes must be made in the educational system of the armed forces. In particular, the Presidential Military Staff must be disbanded and military intelligence must be transformed, so as to limit it to the role of the armed forces in a democratic society.

97. On several occasions I have reiterated the recommendation to comply with the commitments made in the peace agreements with regard to public security, namely, to establish the Advisory Council on Security; implement the judicial reform in order to step up efforts to combat impunity; markedly strengthen the capacity of the new PNC in all its dimensions; and rapidly adopt a comprehensive public security policy. During the period under review, the Mission took note of the reform of the Act organizing the National Civil Police carried out on the occasion of the appointment of the first PNC Director under the current administration, which, along with a number of internal changes, generated uncertainty and bewilderment among police personnel and affected the process of restructuring the career police force. I should like to reiterate the urgency of taking timely steps to strengthen the new police force adequately. To this end, PNC must be provided as soon as possible with the resources needed for its comprehensive development, which will in turn increase its effectiveness in preserving public security. At the same time, it is essential to continue the professionalization of its members and to ensure their strict adherence to police practices that are consistent with respect for human rights.

98. Pursuant to the agreements, education should play the role of affirming and disseminating concepts and behaviours conducive to a democratic pluralism that respects human rights and cultural diversity, civic values and the mechanisms of public participation. The Mission deems it especially important that the Government grant the financing needed to carry out the National Literacy Programme, which must preserve its bilingual dimension, and the Civic Education Programme, which is essential to the process of building a civic and democratic culture in Guatemala. The Advisory Commission on Educational Reform will carry out a broad consultation process prior to the implementation of the Programme. It should be kept in mind that the new educational policy must aim to establish new models for democratic pluralism, promote technical and scientific progress and strengthen Guatemala's integration into the major processes of international transformation.

99. In order to strengthen functional, participatory democracy and overcome the historic exclusion of large population groups from the political life of the country, pursuant to the agreements, priority must be given to the reform of the electoral system. The Congress and political parties, especially the ruling party which has a parliamentary majority, have an inescapable responsibility to bring the process of discussing and approving the electoral reform to a close, within the framework of the agreement reached in the Electoral Reform Commission established pursuant to the agreements. I should like to recall the need to complete this reform before the next electoral process makes it difficult for agreements to be reached among the actors concerned. In addition, reforms as important as the single documentation reform require

longer periods for their technical development and implementation.

100. It is urgent to put in place a genuine public policy of fostering collective bargaining which will promote the development of consensus methods of dealing with labour disputes. This policy should, include as a minimum, completion of the process of adapting the substantive and procedural legal framework to the requirements of the international norms governing collective bargaining and trade union freedom. The State institutions responsible for labour issues should be modified to ensure a planned approach throughout the country which includes educational, preventive and promotional elements, and has a budgetary allocation sufficient to make it sustainable. It is also to be hoped that other commitments requiring changes in the legal framework, such as those on vocational training or the amendment of labour laws regarding women, with special attention to women working in private homes, will also be complied with as soon as possible.

101. The agreements attach special importance to the commitments promoting the decentralization of the State and the institutionalization of social participation in State decision-making bodies. In order to attain these goals, it is essential that the Government define, as soon as possible, its strategy with regard to functional and territorial decentralization. In this sphere, the regional and departmental levels, and also the municipal and community levels, will have to be taken into account. Defining this strategy will allow the proposed reforms to the Development Councils Act and the Municipal Code to be taken into account by the Congress, pursuant to the recommendations of the Joint Commission on Reform and Participation.

102. The Mission has repeatedly stressed the importance for the consolidation of peace in Guatemala of compliance with the commitments contained in the Agreement on Identity and Rights of Indigenous Peoples. In the preamble to that Agreement, the parties recognized that the discrimination and exploitation to which indigenous peoples have been subjected have profoundly affected their rights and denied them the full exercise of political participation. Such an essential aspect of the peace process requires the firm backing of the Government and the support of indigenous organizations representing the cultural, ethnic and linguistic diversity of the country. The process of building national unity requires the integration of an intercultural perspective and of the important economic, social and cultural contributions of the indigenous peoples of Guatemala.

103. The parties recognized that women as a group have been historically excluded and discriminated against in Guatemala from the standpoint of their rights and that their full integration on equal terms in the political, economic and cultural life of the country is an inescapable task. In the context of compliance with the commitments relating to women, the Mission reiterates the importance of having the Presidential Secretariat for Women coordinate the implementation of the National Policy for the Advancement and Development of Guatemalan Women: Equal Opportunity Plan, which reflects the consensus proposal of the linguistic and multisectoral communities within the Women's Forum.

104. The Mission commends the strategy announced by SEPAZ, in which priority will be given to allocating resources and building State institutions in areas hardest hit by the internal armed conflict, where a significant percentage of the uprooted and demobilized population are living. This approach will help to spread the benefits of the peace agreements and to promote genuine reconciliation in those areas. It is important that the implementation of this strategy should be fully compatible with the priority attention to uprooted and demobilized population groups established by the commitments in the peace agreements, especially given the precarious conditions in which those populations are currently living and the need to strengthen governance.

105. At the Government's request, the meeting of the Consultative Group planned for February 2001 will be held in Guatemala in October 2000. This meeting will be of fundamental importance in providing an opportunity for the international community, duly coordinated, to renew its political support and reiterate its willingness to provide technical and financial cooperation for a detailed, prioritized programme to revitalize the peace process. This requires that the three branches of government do their best to move ahead in complying with central commitments of the peace agreements, such as the implementation of the measures resulting from the Fiscal Pact, and in formulating viable, financed, budgeted and time-based proposals pursuant to the peace agreements.

106. At this decisive stage of the peace process, I wish to call upon the authorities of State bodies, the political parties and the various trade union, indigenous,

women's, business, peasants', academic, human rights and other organizations of civil society to redouble their efforts for the building of a culture of dialogue and the consolidation of peace in Guatemala.